Erste Group successfully manages EUR 1.00bn increase of Slovak sovereign bonds

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Solid interest for the Slovak sovereign bonds offering: total orders at approximately EUR 1.4bn from almost 80 investors

Approx. 80% have been subscribed internationally, mostly from Czech, Germany, Austrian, Benelux and Asian investors

Erste Group Bank AG ("Erste Group") through its subsidiary Slovenská sporiteľňa successfully managed a EUR 1.00bn increase on 9-year Slovak government bonds as Joint Lead Manager. The Slovak Republic, rated A1/A+/A+ (Moody's/S&P/Fitch, all stable), acted through the Ministry of Finance and was represented by the Debt and Liquidity Management Agency (ARDAL).

The increase brought the issue, which carries a coupon of 4.0% and is due 27 April 2020, to a total size of EUR 2.73bn, and was priced at a re-offer price of 95.209% and a yield of 4.664%. Strong interest from investors in Eastern Europe, Germany, Austria, Benelux as well as Asia, and low spread sensitivity of the orderbook, allowed to price the offering at mid-swaps + 105 bps, lower end of the initial guidance of mid-swaps + 105/+110 bps area. Erste Group led the transaction as Joint Bookrunner for the second consecutive time after the successful EUR 1.25 bn benchmark tap issue in February this year.

"In two months period Erste Group is again Joint Lead Manager for Slovak government issue. This clearly confirms Erste Group's leading role in our core countries" explains Franz Hochstrasser, Deputy CEO of Erste Group. "Further issues of CEE sovereign bonds can be expected in the upcoming months as the risk assessment of the region decoupled from the periphery EMU countries." Erste Group acted as Joint Bookrunner - among other deals - in the recent bond issues of the Republic of Austria (EUR 4 bn) as well as the Czech Republic (EUR 1.5 bn). Erste Group thus ranks 1st as a bookrunner for sovereign and corporate bonds in Austria and CEE, with a market share of 11.9% and a volume of EUR 5,129 m in 2010*.

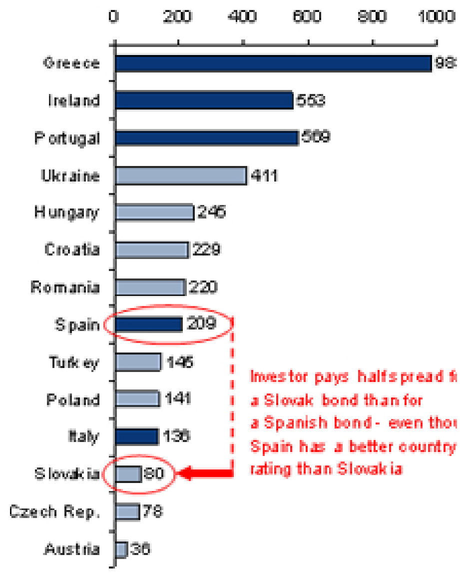
The high success of the issue is based on Slovakia's unique position as it offers a mix of Euro currency country combined with strong growth potential (2011e: 4% in Slovakia compared to 1.6% in Euro Area)** and a very healthy position having the fourth lowest level of public debt in the Euro Area in 2010 (42% of GDP compared to 84% in the Euro Area average). In its recent country review, the International Monetary Fund perceives Slovakia's plan to bring the fiscal deficit below 3% in 2013 as "credible and appropriate".

Furthermore, Slovakia is expected to get a rating upgrade, as its fundamentals lead the markets to ignore the current ratings from the rating agencies: The Slovak government (rated A+) pays a lower risk premium compared to the multi-notch better rated Spain (AA) or slightly better rated Italy (AA-). The upgrade for Slovakia is expected to happen no earlier than at the beginning of next year***

* According to Underwriter Leage Tables of Bloomberg.

** Erste Group Research Forecasts

*** Special macro report "Foreign capital inflows make a comeback to CEE", Erste Group Research.



5y Credit default swaps (bp)